

Bureau Financial Management Incentives

USGS Financial Management Initiatives

The USGS has the following initiatives either underway or planned as part of its efforts to meet the CFO Council priorities:

A. Improving Financial Management Systems

1. Merger of NBS and USGS financial systems -- Following Congressional direction to merge the operations of the National Biological Service (NBS) with the USGS, a major initiative will be the consolidation of NBS financial processing with that of the USGS. NBS currently operates a separate application of FFS. Efforts will include moving operations to the USGS computer center, conversion of current and historical NBS data, report modifications, and user training.
2. Implement Future FFS releases -- USGS participates through the DOI Software Advisory Board in the identification of future FFS enhancements, as well as in software testing and implementation. Data archiving and preparations for the year 2000 are among the significant issues to be addressed, and issues associated with moving to a client-server processing approach will also be extensively reviewed.
3. Implement FFS Cost Allocation module -- USGS has not previously used the cost allocation subsystem of FFS; the bureau will explore the capabilities of the subsystem software and its effectiveness in meeting USGS needs for the automated redistribution of indirect costs.
4. Convert to FPPS / FFS interface -- USGS will implement a revised interface to pass labor cost data from FPPS to FFS.
5. DORRAN integration -- USGS will continue efforts to integrate with the FFS its Distributed Ordering, Research, Reporting, and Accounting Network system (DORRAN). DORRAN is used to order and track production status of a suite of USGS image and digital information products. The project includes the development of automated linkages between DORRAN and the FFS Inventory Subsystem, both for customer refunds and to enable seamless processing of map orders regardless of system entry point. These automated system interfaces will eliminate duplicate entry of data in both systems and improve customer service.

Product Sales improvements -- USGS is continuing several activities to improve product sales activities, including development of a capability for electronic ordering of maps by customers, exploration of electronic data interchange (EDI) technology for product sales, and performance enhancements to the existing map Inventory Subsystem, which is already integrated as a component of the FFS.

FFS/IDEAS Interface -- the bureau plans to implement the DOI interface between IDEAS and FFS following software delivery and appropriate testing.

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B. Implementing the Government Performance and Results Act

Financial performance measures -- USGS is engaged in a variety of GPRA implementation efforts, including the completion in FY 1996 of an initial bureau strategic plan. Within the financial management context, a planned, subsequent phase is the development of bureau financial management performance measures. OFM will also be working with program managers to develop improved financial information in support of program performance reporting.

C. Issuing Accounting Standards and Preparing Financial Statements

Compliance with new standards -- USGS will be implementing new Federal Accounting Standards Advisory Board (FASAB) standards as they take effect. In addition, USGS is providing scientific expertise to the FASAB team currently developing the draft Natural Resources Standard. The bureau is also participating actively in the SACAT, and will implement the team's recommendations on a revised, SGL when they are completed.

Financial Statement Improvement efforts -- USGS is engaged in ongoing efforts to improve the presentation and accuracy of the bureau's annual financial report, and in particular in FY 1996 to make a series of management and accounting improvements related to product inventory and valuation. FY 1996-97 efforts will focus also on the development of a consolidated financial presentation reflecting the merger of NBS and USGS; in FY 1996 NBS activities were funded via the USGS appropriation, but the merger of personnel, program and management controls does not take place until FY 1997.

D. Developing Human Resources and CFO Organizations

Process changes and restructuring -- the USGS Office of Financial Management (OFM) will be planning and carrying out a significant restructuring of positions associated with the bureau's expansion of remote data entry across all program activities. With the changing support mission of OFM, position descriptions and office organization will require change to reflect the transition from a high volume of data entry to an increased emphasis on quality control, post-audit review, and development of management information. Associated with this effort will be a need for process redesign and staff retraining.

E. Improving Management of Receivables

Implementation of Debt Collection Improvement Act of 1996 -- USGS will develop and carry out plans to comply with the requirements of P.L. 104-134, to include actions to convert all employee payments to electronic funds transfer (EFT), as well as planning the shift of vendor payments to EFT.

F. Ensuring Management Accountability and Control

Management control improvements -- As a follow-on to the FOP- sponsored training on statistical

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sampling methods, USGS is revising its sample selection process, developing examination guidelines for remote data entry payment review, determining additional training or guidance requirements for field sites and OFM staff, and documenting revised OFM guidelines for the post-audit internal control review process.

Program coordination improvements -- USGS will continue to focus on efforts to improve reporting tools and management controls in such areas as Government travel charge card expenditures and purchase card expenditures, both to ensure that cards are used for appropriate purposes and to provide effective oversight of credit card expenditures and employee debt.

Evaluate first-year operations of WCF -- FY 1996 was the initial year of operations for the USGS-WCF following issuance of the WCF Handbook. An evaluation of the effectiveness of Fund operating procedures and policies from the customers' perspective, and a review of fund contributions, investment and financial plan development, and spending will be carried out; in addition, an audit report from the DOI Inspector General is pending, and operating procedure or policy refinements will be developed in the context of any audit findings.

G. Modernizing Payments and Business Methods

Implement Rocky Mountain Bank Card (RMBC) Interface -- An electronic interface to load invoice data for IMPAC bank card purchases to the FFS will be put in place as soon as available, reducing OFM and field sites' data entry workload.

Electronic Receipt of commercial invoices (Electronic Data Interchange) -- As a longer-term initiative, OFM will work with additional vendors to implement electronic invoicing procedures in order to further reduce manual processing and speed payments.

Implementation of DOI Travel Lab recommendations -- Once recommendations of the DOI Travel Lab are approved, a variety of process revisions are anticipated, which may significantly modify existing USGS travel activities, e.g., the USGS pilot efforts to interface data from Travel Manager software to the FFS may require revision or redirection.

Customer outreach efforts -- OFM is pursuing a variety of efforts to provide improved financial information and better customer access to financial data, such as implementing electronic notification to travelers of impending reimbursements (may be affected by DOI Travel Lab outcome), and expanding use of electronic communications to customers via E-mail and Internet access.

Expansion of USGS remote data entry -- USGS in FY 1996 expanded the Water Resources Division's remote data entry (RDE) authority for processing FFS transactions to include both obligated and non-obligated payments, Third Party Draft accruals, imprest fund replenishments, and bank card accruals. The expanded RDE program will be extended to all other USGS divisions, and the potential for additional field payment authority (e.g., contract payments, travel voucher payments) will be explored.

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Review and streamlining of financial reports process and tools -- USGS FFS reports will be reviewed to identify opportunities for improved management and production cost savings, as well as for opportunities to better meet program customers' information needs. In addition, OFM will seek improved information retrieval tools to reduce time and effort and simplify user access to FFS for queries.

H. Improving Administration of Federal Assistance Programs

No USGS financial management activities are identified with this CFO Council priority at this point.

Bureau of Land Management (BLM) Financial Management Initiatives

A. Improving Financial Reporting

The BLM has worked closely with the DOI Inspector General's staff to correct deficiencies in accounting for real and personal property and firefighting operations inventory. The Bureau's aggressive actions have resulted in receiving an unqualified audit opinion for the FY 1995 statements. The Bureau tested the FFS Fixed Asset Subsystem during FY 1996 to see if it provides adequate accountability for real property assets.

B. Redesigning Billing and Collection Systems

The BLM is pursuing consolidation and integration of its existing billing and collections systems into a single system that manages all billing and collection processes in an efficient and cost effective manner. A redesign team has been established to develop a conceptual design model and implementation plan for one system that meets the needs of the BLM's diverse customer base. The team's focus is on internal systems and procedures changes which will simplify work, provide one entry point for data common to the program and accounting systems, and to provide managers with alternatives in accomplishing their mission.

C. Redesigning the Acquisition Process

The Acquisition Redesign Team was established to identify, evaluate, and recommend "radical" procedural and organizational changes in acquisition of goods and services in BLM. The Team's focus was on internal changes that BLM could make, rather than proposing legal and regulatory change where there would be nominal opportunity for change. As a result, "radical" redesign ideas were identified and recommended for implementation. In addition, the Team's research concluded that the Bureau could reap significant savings by aggressive implementation of the many recent Government-wide changes in procurement rules made over the past few years.

Radical redesign changes which will directly affect Finance are:

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Auditing: Submission of a plan to GAO to allow for an increase to the limit of \$2500 for statistical sampling.

Redesign of the imprest fund: Each cashier would maintain a Government purchase card with ATM cash withdrawal capability. This would eliminate the inherent time delays in receiving reimbursement checks from Treasury and decrease the paperwork involved in obtaining more funds and accounting for the dollars spent. This method allows for using the “bank’s money” instead of BLM’s.

Bureau of Reclamation (BOR) Financial Management Initiatives

A. Reducing Resource Requirements

Since FY 1993, BOR’s Finance and Accounting Office has reduced its FTE by 33 (26 percent reduction) and costs by \$1.8 Million (25 percent reduction). Its supervisory ratio has increased from 1:6.3 in FY 1993 to 1:11 today. The following initiatives have contributed to these efficiency gains:

- BOR’s reorganization in FY 1994 resulted in a reduction of 1,274 employees (16 percent of its workforce).
 - Elimination of all contract labor in the finance office.
- Automation of accounting and reporting processes and interfaces with other administrative systems (i.e., automation of year end closing entries, “FACTS”, budget system interface, etc.).
- Use of Third Party Drafts throughout BOR, with a corresponding reduction in Imprest Fund activity.
- Implemented use of credit cards for collection of fees, cost of services, etc.
- Processing of payment to travelers and Imprest Fund cashiers via ACH.
- Remote data entry from field sites for obligation, billing, collection, and journal entries.
- Improvements in the travel reimbursement function, including implementation of the A T M program for travel advances, use of Travel Manager system in some regions, increased use of third party drafts (decreasing imprest funds by 16 percent in FY 1995), raising the statistical sampling threshold, and significant delegations of travel approval authority to the lowest management/supervisory levels possible.
- Improvements in the vendor payments function such as increased use of the “recurring payments” process in FFS, implementation of the “Fast Pay” process for RMBC payments, raising of the stat sampling threshold, and “direct deposit” reimbursements to imprest fund cashiers.

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- Use of CD-ROM technology for intra-bureau reporting of financial data, and elimination of microfiche reporting.
- Elimination of approximately 50 percent of the work involved in preparation of annual business-type financial statements for each of our project entities (approximately 230).
- Development and implementation of a more effective and “user friendly” management reporting system.
- Development and delivery of a “Financial Management training course” for program managers and support staff to enhance their understanding and use of financial management processes and data.
- Development of an “activity based budget” that has provided customer focus on activities that are “nice to have” rather than essential.
- Reduction in volume of guidelines (74 percent BOR-wide) and elimination of burdensome regulations.

Fish and Wildlife Service (FWS) Financial Management Initiatives

A. Re-engineering Processes

Over the past few years, the FWS has focused on re-engineering processes to provide the best possible service to our customers within available resources. Over the next 5 years, the FWS will continue to re-engineer financial management areas. With the expansion of technology throughout the FWS, attention will be focused on financial management performance measurements, improvements in cash management activities, regulatory reporting and providing FWS managers with “live” financial information to allow for informed financial decisions at a moments notice.

In short, the FWS will no longer be known only for its ability to make payments on time, but rather its ability to record, account and report all FWS financial transactions in a manner that exceeds the requirements of the Congress, OMB, GAO, the Department and the IG. Our focus will be enhanced by technology and our ability to provide our customers with the best and most accurate financial information. Specific financial enhancements that are on the horizon for the FWS include:

- A simplified, standardized combined inventory system encompassing real property, historical sites, capitalized equipment, vehicles, museum pieces and the maintenance management system.
- Expanded usage of the electronic fund transfer (vendor express) for all travel reimbursements as well as to FWS vendors and contractors.
- Expanded remote data entry capabilities/dollar limitations for payment of all FWS obligations.

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- Elimination of all paper copies of financial reports with distribution strictly by CD-ROM or CC:Mail. The FWS currently prints 19 reports totaling some 350,000 pages.
- Expanded use of the VISA program through the introduction of VISA CHECKS.
- Reducing, to the minimum possible, outstanding cash currently residing in FWS imprest funds.

The financial goal of the FWS, as evidenced by the above, is to reduce the amount of time that resource program personnel spend on administrative matters and to provide managers with the valuable data resources that are available at their fingertips.

National Park Service (NPS) Financial Management Initiatives

A. Reducing Resource Requirements

The NPS has undertaken the following initiatives to reduce resource requirements:

Prepayment audits of transportation billings: The Finance Division has contracted with a commercial firm that compares the rates charged by private carriers on their invoices for goods shipped under government bills of lading with the tariff schedules established by the General Services Administration. When the contractor determines that a carrier has charged a higher rate than that on the tariff schedule, the invoice amount is adjusted to reflect the correct rate, which is then paid by NPS. During FY 1995, the NPS realized savings of \$84 for each dollar paid to the contractor for net savings of about \$468,000.

Consolidation of payment functions: During FY 1995, the Finance Division consolidated its imprest, utilities and government payments section with accounts payable staff. This reduced annual resource requirements by six FTE and about \$185,000.

Accounting system instruction: Over 200 NPS sites use the FFS, and training users is a recurring requirement. During FY 1995, the Finance Division had a contractor develop a self-teaching diskette that provides instructions to FFS users. While all aspects of system operations are not covered in detail, the diskette does provide basic instruction so that many employees can begin using the system without classroom training. This initiative eliminated the need for an instructor position, thus reducing the Finance Division's resource requirements by one FTE and about \$47,000 in related pay and benefits.

Copy /fax center: During FY 1995, the Finance Division moved copy and facsimile machines into one location and assigned copying responsibilities to the mail and files staff. This resulted in several benefits: division staff no longer wait in lines to make copies; mail staffs were more effectively utilized, and when copiers go down they are returned to service faster since a co-located staff operates and maintains them. Annual savings are estimated at two FTE and \$57,000.

Purchase card program: During mid-1995, the NPS implemented the purchase card program whereby

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goods may be purchased with credit cards by employees with contracting warrants and, within limitations, by employees without such warrants. At the present time, purchases by credit card are optional in most locations; however, usage will probably be made mandatory after personnel become accustomed to the new procurement and payment procedures. Since the number of commercial billings will be reduced substantially, we anticipate that with mandatory usage that resource requirements in the Finance Division will be reduced by 10 FTE and about \$274,000 in pay and benefits. Other savings will be realized in parks and other offices due to reduced procurement processing requirements.

ATM Program: During late FY 1995, the NPS activated the automated teller machine program for travelers. This program allows travelers to obtain travel advances from ATM machines rather than obtaining advances from imprest funds or by third-party draft or Treasury check. At present, usage is optional but will probably be made mandatory at which time the Finance Division should realize savings of three FTE and about \$77,000. Savings will also be realized in parks and other offices due to reduced travel advance processing, third-party draft transactions and related costs, reduced number of imprest fund transactions, and will reduce cash requirements in many locations. In addition, travel voucher processing will be faster due to less reconciliation work.

Third Party Draft Programs: This payment program was modified to increase the maximum payment amount allowed to \$2,500 and eliminated the minimum payment amount. An 8 percent increase in third party draft volume is anticipated, which will reduce the workload in the central payments office.

Bureau of Indian Affairs (BIA) Financial Management Initiatives

A. Improving Remote Data Entry

Under a cooperative agreement, the WASC-West is designing and developing an FFS Flashpoint application for use in the Division of Accounting Management (DAM) and, as part of the remote data entry effort, in the area and agency offices.

In October 1996, the WASC-West will assist the DAM implement Flashpoint for approximately 40 FFS users. The implementation will involve input of obligations and payments.

In the first quarter of FY 1997, Flashpoint will also be implemented in Washington D.C. as part of a pilot test of remote data entry. Following the pilot, Flashpoint will be deployed to the area offices as part of the Bureau-wide implementation of remote data entry.

In July 1996, the WASC-West formed a remote data entry implementation team that includes representatives of the WASC-West, DAM, the area offices, and the Washington Liaison Office. Under the facilitated direction of the WASC-West, the team will:

- develop a remote data entry (RDE) implementation plan for submission to the Department,

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- formulate RDE operating policies and procedures,
- develop and manage an implementation project plan, and
- determine the impact on the area offices of various RDE alternatives.

The team will also establish, monitor, and evaluate several RDE pilot sites to demonstrate the feasibility of RDE, refine operating procedures, and assess productivity impacts.

Improving Prompt Payment Tables

The WASC-West is developing custom programs to re-populate BIA's on-line prompt payment tables which contained inaccurate and incomplete information. The tables will permit BIA to use the same FFS baseline prompt payment reports used by other FFS Bureaus and to simplify reconciling the prompt payment reports to the general ledger.

Assisting in improving FFS Interfaces

The WASC-West has initiated a project to design and develop an on-line interface between LOMAS and FFS. The current batch interface is inefficient and introduces apparent imbalances due to timing differences between LOMAS and FFS processing. The project includes:

- performing a functional analysis to determine system requirements,
- developing a functional design document and system specifications,
- developing and testing of a prototype interface, and
- developing, testing, and implementation of a full production, on-line interface.

Office of the Secretary, Minerals Management Service and The Office of Surface Mining ABACIS Bureau Partnership

During FY 1995, the MMS, OSM and OS established a partnership (ABACIS Bureau Partnership) to work jointly on several initiatives to streamline and automate financial processes. This partnership has allowed the 3 bureaus/offices to share limited resources for projects that benefit all 3 bureaus. These projects include implementation of an on-line budget planning module that allows program offices to establish financial plans, developing a bank card interface sub-system that gives program offices on-line access to establish obligations and review and approve subsequent charges, and modernization of a property management system through use of object-oriented technology. In addition, the partnership is working together to implement the new SGL in ABACIS, implement the requirements of the Debt Collection Improvement Act of 1996, and working with Price Waterhouse to develop an interface

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between IDEAS and ABACIS.

OSM has developed and conducted training on the government-wide SGL. OSM provided this training to the auditors with the OIG Denver Regional Office at their request. OSM has also implemented Travel Manager bureau-wide and assisted OS with their respective implementation. OSM reorganized the Division of Financial Management employing the team concept with team leaders responsible for various crosscutting projects.

The OS, Division of Fiscal Services, was reorganized into 1 of 5 lines of businesses in the newly formed Interior Service Center. Financial operations formerly conducted in the Division are now a part of the services provided by the Acquisition, Fiscal and Property Services business line.

MMS has implemented a pilot of the FedSelect Check Program. FedSelect is a new cash management initiative developed by the Department of Treasury that will allow MMS to issue checks to make payments normally paid from the imprest funds. FedSelect is expected to eventually replace imprest funds in MMS.